

TRAINING PROBLEM AND EXERCISE ANSWERS

Using TaxWise 2006

Taxpayers have verified that they are eligible for the Telephone Excise Tax Credit with the exception of those who can be claimed as a dependent on another person's tax return..

Assume that last year's State Sales tax was deducted on Schedule A

	Problem/ Exercise	AGI	Taxable Income	Total Tax	Total Payment	Overpaid/ (Owe)	Notes
		Line 37	Line 43	Line 63	Line 72	73/76	
Basic	COMP A Davidson	\$30,838	\$7,338	\$0	\$4,927	\$4,927	\$5,349 With Tuition & Fees Adjustment
	Ex 1 Madison	\$4,330	\$0	\$0	\$453	\$453	
	Ex 2 Hood	\$24,612	\$3,862	\$1,200	\$4,828	\$3,628	
	Ex 3 Denison	\$36,924	\$25,174	\$3,399	\$6,974	\$3,575	
	Ex 4 Chapman	\$59,454	\$39,254	\$4,136	\$5,434	\$1,298	
Intermediate	COMP B Yale	\$29,197	\$1,089	\$760	\$6,428	\$4,168	\$5,668 With Tuition & Fees Adjustment
	Ex 5 Rice	\$29,362	\$15,212	\$1,076	\$2,947	\$1,871	
	Ex 6 Austin	\$42,845	\$32,395	\$4,643	\$4,966	\$323	
	Ex 7 Ellsworth	\$23,064	\$2,864	\$0	\$5,750	\$5,750	Tuition & Fees Adjustments cannot be claimed because fees were paid by the grandmother
	Ex 8 Highland	\$18,798	\$4,881	\$75	\$3,611	\$3,536	
	Ex 8 Langston	\$15,114	\$6,664	\$827	\$1,102	\$275	
	IS-1 Ellsworth	\$27,125	\$6,925	\$0	\$4,897	\$4,897	Tuition & Fees Adjustments cannot be claimed because fees were paid by the grandmother
	IS-2 Rice	\$29,362	\$15,212	\$1,076	\$2,947	\$1,871	
Advanced	COMP C Dalhart	\$74,653	\$48,371	\$5,187	\$6,144	\$957	Education Credit is more beneficial than Tuition & Fees Adjustment and assume that last year State Sales Tax was deducted on Sch. A
	Ex 9 McCook	50727	25194	1862	1630	(\$232)	
	Ex 10 Reed	27834	10384	0	4292	\$4,292	
	Ex 11 Rosemont	29035	14885	1440	3086	\$1,646	
	Ex 12 Sterling	54938	32738	2946	3544	\$598	
Military	COMP D Sierra	\$44,437	\$27,533	\$2,574	\$5,621	\$3,047	Education Credit is more beneficial than tuition/fees adj. or Sch. A business expenses.
	Ex 13 Dayton	\$8,736	\$0	\$1,328	\$5,550	\$4,222	EIC increases with input of Sch. C-EZ.
	Ex 14 Parsons	\$38,741	\$11,941	\$0	\$6,610	\$6,610	
	Ex 15 Stetson	\$35,404	\$18,504	\$2,775	\$4,288	\$1,513	
	Ex 16 Carpenter	\$23,224	\$3,024	\$0	\$2,295	\$2,295	No EIC since TPW does not have SSN.
International	COMP E Holmes	\$34,080	\$13,880	\$327	\$2,474	\$2,147	Foreign Income Exclusion is more beneficial than foreign tax credit.